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ABSTRACT

This research report presents data on the socioeconomic status of the Dominican population in New York City using the 1980 and 1990 U.S. Census of Population. The analysis includes a discussion of demographics, labor market outcomes, poverty, and household economic status, among other variables. The income of the Dominican population is one of the lowest in New York City, and over 36% of the Dominican population and about 47% of the Dominican children live in households that are under the poverty line. The 1990 unemployment rate for Dominicans was 18.6% for women and 16% for men. This is close to twice those of the overall New York population. As a consequence, the earnings of Dominican men and women lagged well behind those of the city's general population. A major reason for the economic difficulties of Dominicans in New York is the comparatively low educational attainment. In 1990, as many as 61.5% of Dominicans aged 25 or older had not completed high school, and only 6.1% had completed college. This lower relative educational attainment is associated with a higher proportion of the population in unskilled and blue-collar jobs. Dominicans have also been affected greatly by the decline in manufacturing jobs in the New York area. Improvements in economic status will require a major investment in education and a dramatic improvement in the adult literacy and English language proficiency of the Dominican population. Public policies that support the increased educational attainment of working people would be helpful, whether in the form of workplace apprenticeships, work-study programs, evening/weekend educational programs, or improved child-care alternatives. (Contains 22 tables, 3 figures, and 24 references.) (SLD)

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DOMINICAN NEW YORKERS:

A SOCIOECONOMIC PROFILE, 1990

By

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January 1995

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DOMINICAN NEW YORKERS: A SOCIOECONOMIC PROFILE, 1990

By

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The fastest-growing major ethnic/racial group in New York City in recent years has been the Dominican population. During the 1980s, the number of Dominicans in New York rose by 165 percent, from 125,380 to 332,713. By comparison, the overall population of New York City increased by only 3.5 percent during the decade. Dominicans now compose the second-largest Hispanic group in the City (only Puerto Ricans have a greater presence).

In spite of the growing visibility of Dominicans in New York, relatively little systematic information is available about their current socioeconomic status. There exist detailed studies of the Dominican community in the U.S. before the 1980s [such as Hendricks (1974), Ugalde, Bean and Cárdenas (1979) and Gurak (1982)]. There are also recent ethnographic studies sampling segments of the Dominican population, particularly the Washington Heights community [see Duany (1994), Portes y Guarnizo (1991), Pessar (1987), and Waldinger (1986)]. But there is no survey of the overall population.

The absence of a comprehensive, Census-based study of the socioeconomic status of the Dominican population in New York City, currently and over time, is a serious shortcoming. It has led to often conflicting accounts of the Dominican community. As has been noted recently: "most studies on Dominican migration to the United States have espoused dichotomous profiles of the socioeconomic background of the migrants. These studies portray Dominican immigrants as either urban, middle class, educated individuals who held jobs before migration...or as rural, poor, illiterate folks who had scarcely maintained a job prior to migration. Similarly, while some

scholars have seen Dominicans as laborious builders of "vibrant communities" in their American space...others perceive them as a transient, unsettled group whose yearning to return home hampers their business possibilities in the receiving societies." [Hernández and Torres-Saillant (1995), p. 4]. A consistent picture of the Dominican population in New York City does not emerge from the existing literature.

What is the real situation of the Dominican population in New York? What are its characteristics? This research report presents data on the socioeconomic status of the Dominican population in New York City using the 1980 and 1990 U.S. Census of Population. The analysis includes a discussion of demographics, labor market outcomes, poverty and household economic status, among other variables.

1. GROWTH OF THE DOMINICAN POPULATION IN NEW YORK CITY

According to the 1990 U.S. Census of Population, there were over half a million Dominicans residing in the United States in 1990. Table 1 shows the distribution of this population by state.

TABLE 1

THE DOMINICAN POPULATION IN THE U.S., BY STATE, 1990

STATE	Number	Percent	STATE	Number	Percent
New York	355,880	69.6%	California	4,485	0.9
New Jersey	53,534	10.5	Maryland	3,808	0.7
Florida	36,036	7.0	Texas	3,220	0.6
Massachusetts	25,376	5.0	Pennsylvania	2,556	0.5
Rhode Island	7,124	1.4	Washington D.C.	2,328	0.5
Connecticut	4,956	1.0	Other	11,994	2.3
			Total	511,297	100.0

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1990 U.S. Census of Population and Housing*. Author's tabulations.

As is well-known, the largest concentration of Dominicans is located in the state of New York where 355,880 persons resided in 1990. This constitutes approximately 70 percent of the total Dominican population in the United States. Following New York was New Jersey, where 53,534 Dominicans resided in 1990, accounting for 10.5 percent of the total. Significant Dominican populations also existed in Florida and Masachusetts, followed by Rhode Island, Connecticut, California, Maryland, Texas, Pennsylvania and Washington, D.C.

Within the state of New York, the City of New York accounts for the greatest concentration of Dominicans. In 1990, a total of 332,713 Dominicans resided in New York City, constituting 65.1 percent of the total Dominican population in the United States. Table 2 decomposes Dominican New Yorkers according to borough of residence. The largest concentration occurs in Manhattan, where 41.1 percent of the Dominican population is concentrated. Within Manhattan, the overwhelming area of residence is Washington Heights, where 86,273 Dominicans resided in 1990. Following Manhattan, the second largest area of Dominican concentration in 1990 was the Bronx, where 26.2 percent of the population was residing. This was followed by Brooklyn, with 16.6 percent, and Queens, 15.7 percent.

Table 2

THE DOMINICAN POPULATION OF NEW YORK CITY, BY BOROUGH

New York City Borough	Number 1980	Number 1990	Percentage of Total Dominican Population, 1990
Manhattan	62,660	136,696	41.1%
The Bronx	17,640	87,261	26.2
Brooklyn	21,140	55,301	16.6
Queens	23,780	52,309	15.7
Staten Island	160	1,146	0.4
Total	125,380	332,713	100.0

Source: New York City Department of City Planning, *Socioeconomic Profiles*, City of New York, March 1993.

The number of Dominicans in New York City rose by 207,333 in the 1980s. Representing a 165 percent increase between 1980 and 1990, this was the largest population gain of any major ethnic and racial group in New York. This rapid increase in population was due mostly to immigration. Indeed, as Table 3 displays, in 1990 close to 73 percent of all Dominicans residing in New York City had been born outside the United States. By comparison, for the American population overall, immigrants accounted for only 8.5 percent of the total population in 1990. How recent is the Dominican immigration to New York City? As Table 3 shows, of the 241,683 Dominican immigrants residing in New York City in 1990, a total of 54.6 percent arrived in the United States between 1980 and 1990.

The Census count is intended to capture both documented and undocumented immigrants residing in the United States. However, to the extent that fear of detection by immigration authorities leads undocumented immigrants to avoid the Census, an undercount can result. Estimates of the number of illegal immigrants residing in the U.S. are supplied by the Immigration and Naturalization Service. Their estimate is that in October 1994, a total of 25,600 undocumented immigrants from the Dominican Republic were residing in the state of New York. The great majority of these immigrants (perhaps as much as 90%) are located in New York City.

TABLE 3

IMMIGRANT AND NATIVE-BORN DOMINICANS IN NEW YORK CITY, 1990

		Number	Percent
NATIVITY:	Immigrant	241,683	72.6
	U.S.-Born	91,030	27.4
	Total Population	332,713	100.0
IMMIGRANT COHORT:	1985-1990	72,988	30.2
	1980-1984	58,971	24.4
	Before 1980	109,724	45.4
	Total Immigrants	241,683	100.0

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1990 U.S. Census of Population*.

The substantial inflow of immigrants from the Dominican Republic to New York City in the 1980s has been associated with a sharp increase in the number of Dominican children in public schools. Immigrants are young relative to the general population and a large proportion of them has school-age children. How many Dominican immigrant children are there in public schools? Estimates of the recent immigrant student population in New York City are provided by the New York City Board of Education's Emergency Immigrant Education Census. This constitutes a lower bound on the number of immigrant children in the public school system since only recent immigrants are eligible for Emergency Immigrant Education Assistance.[1]

According to the Emergency Immigrant Education Census, a total of 137,796 immigrant students were eligible for Emergency Immigrant Education assistance during the 1992-93 school year in New York City. Figure 1 presents the countries from where the greatest number of immigrant children comes from. By far, the largest number was born in the Dominican Republic, equal to 26,500 students in 1992-93. This is followed by students from Russia and the former Soviet Union, with 10,530 students registered in New York City public schools.

The rapid growth of the Dominican public school student population has resulted in rapid enrollment growth, which has led to overcrowding in the schools. For instance, George Washington High School, located in Washington Heights, is one of the five most overcrowded high schools in New York City. During 1992-93, the school was operating at 153 percent of its capacity. Bursting at the seams, overcrowded schools are struggling to handle increasing numbers of students through increased class size, conversion of gymnasiums, auditoriums and other rooms to classrooms, leasing and other means. Both teachers and students in these schools have been

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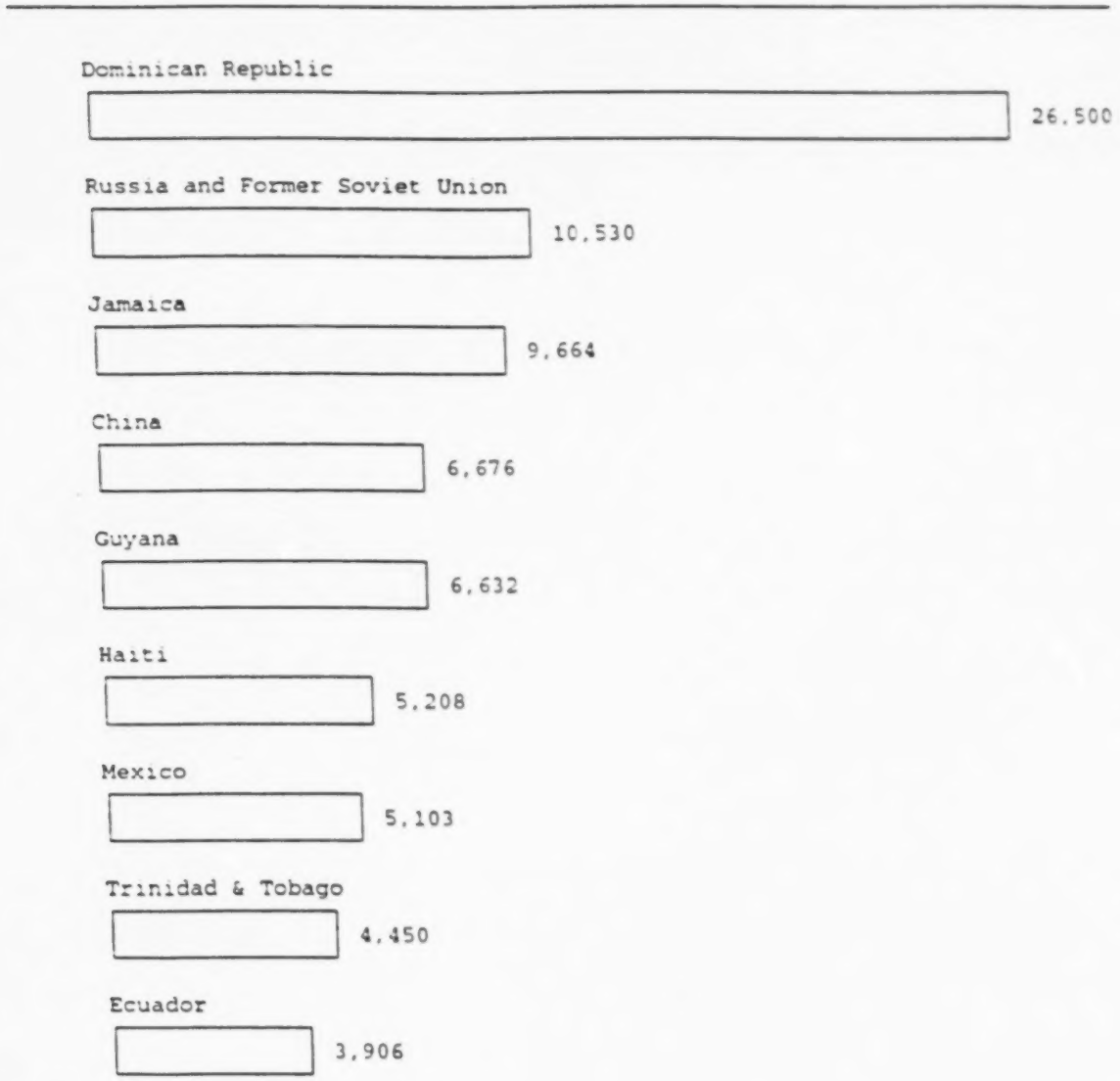
[1] The Emergency Immigrant Education Act is one of the few federally-funded programs available specifically to immigrant students. However, only students who have been enrolled in U.S. schools for three years or less are eligible. In addition, in order for a school district to qualify for funding, at least 3 percent of its total enrollment (or otherwise 500 students) must be immigrant children.

FIGURE 1

RECENT IMMIGRANTS IN NEW YORK CITY PUBLIC SCHOOLS, BY COUNTRY OF ORIGIN

1992-1993



Source: New York City Board of Education. *Emergency Immigrant Education Census*, March 1994.

found to be negatively affected by the crowded conditions. A large fraction of them state their dislike for the school where they are located and complain about the difficulties of learning in overflowing schools. Overcrowding thus constitutes a serious threat to the effective education of these children [see Lopez (1994) and Commission on Planning for Enrollment Growth (1995)]. The threat of continued school overcrowding in the near future is greater for the Dominican population since its migration flow to New York does not appear to be abating, as the next Section documents.

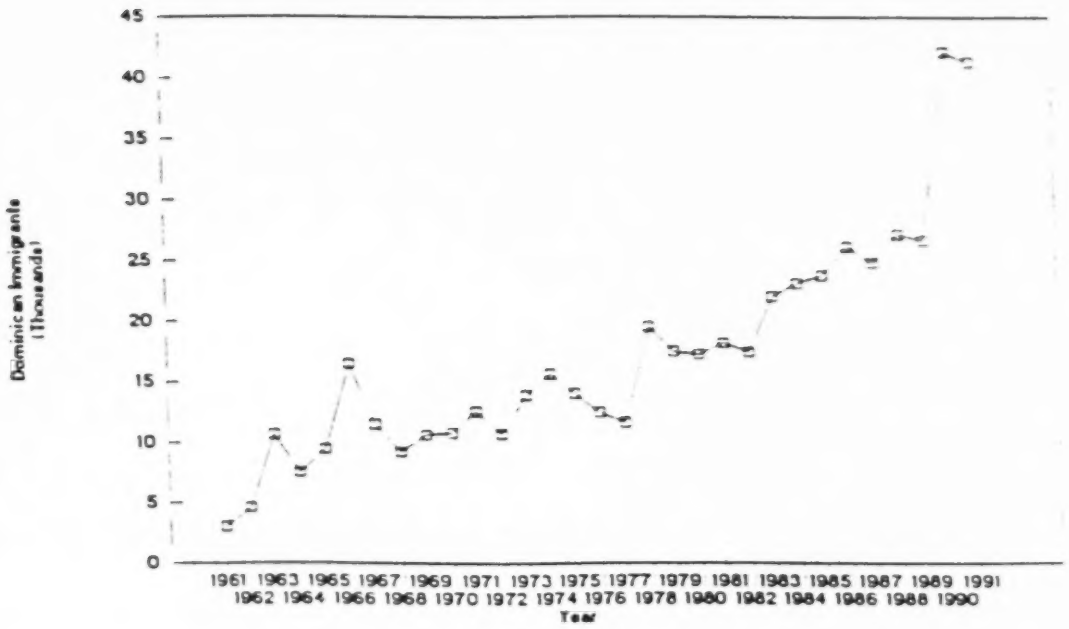
2. THE RISE IN MIGRATION FROM THE DOMINICAN REPUBLIC: ITS CAUSES

The sheer volume of Dominican migration to New York City in the 1980s and early 1990s is remarkable. However, the history of migration from the Dominican Republic to the United States starts much earlier. Figure 2 displays the number of Dominicans admitted to the United States from 1960 to 1991.

Significant migration of Dominicans to the United States starts in the early 1960s. Restrictive out-migration policies in the Dominican Republic under the Trujillo regime led to a comparatively small migration to the United States during the dictator's rule between 1930 and 1961. In the mid-1960s, migration of Dominicans to the U.S. was activated by a number of forces. Basic institutional changes in U.S. immigration policy, such as those associated with the U.S. Immigration Family Reunification Act, stimulated migration. At the same time, turmoil associated with political strife in the Island (such as the overthrow of President Juan Bosch in 1963 and the various election debacles in recent years) has also been associated with increased emigration. Since the 1970s, however, economic motives have dominated the Dominican migration process.

FIGURE 2

DOMINICANS ADMITTED TO THE U.S., 1960-1991



Source: Immigration and Naturalization Service, *Statistical Yearbook*, various issues.

Economic conditions in the Dominican Republic --relative to those in the U.S.-- are directly connected to the migration of Dominicans to the United States. The worse the economic situation in the Dominican Republic, and the better the one in the United States, the greater the emigration rate. Figure 3 shows the positive correlation between the number of Dominicans admitted to the United States and the differential in unemployment rates between the Dominican Republic and New York. The axis in the left-hand size of Figure 3 measures the number of Dominicans admitted to the United States between 1979 to 1991. The axis in the right-hand side measures the unemployment rate differential between the Dominican Republic and New York during the same time period (measured by the average unemployment rate in the Dominican Republic minus the unemployment rate in New York state). As can be clearly seen, the two time series are closely related to each other.

What explains the rising unemployment rate in the Dominican Republic relative to that prevailing in the United States, as displayed in Figure 3? This trend has clearly contributed to the attractiveness of the U.S. as a destination area for Dominican migrants during this time period. Part of the explanation lies in the fact that the U.S. unemployment rate dropped significantly between 1982 and 1989. However, the upward trend of the Dominican-U.S. unemployment rate differential in the 1980s is mostly related to rising unemployment in the Dominican Republic.

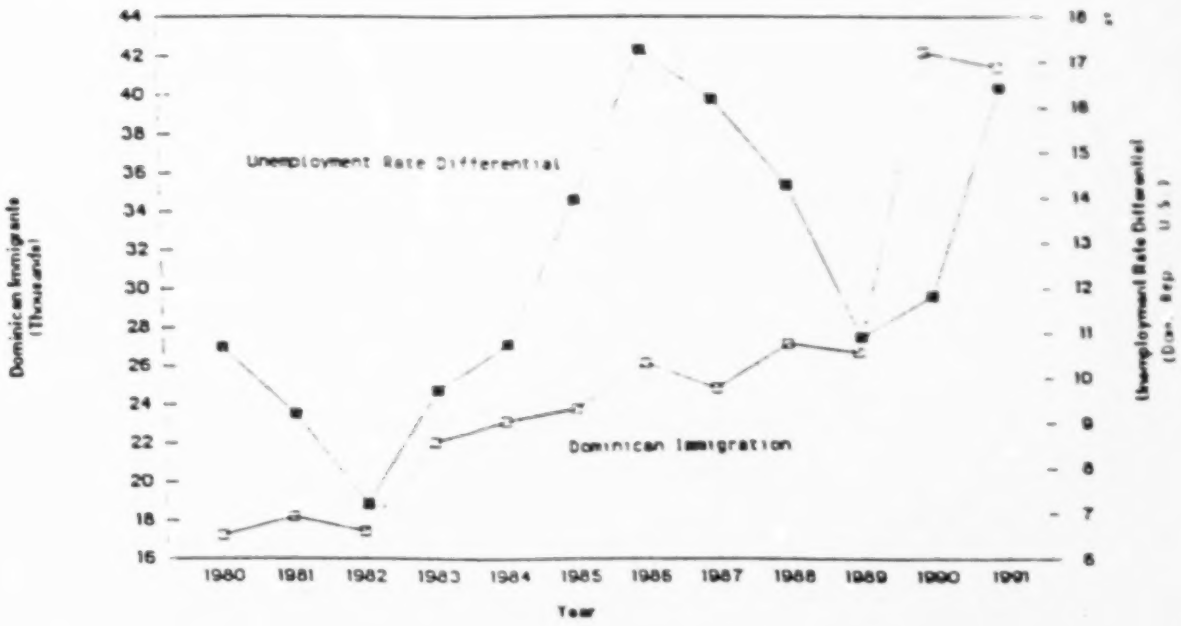
A sharply deteriorating economic situation in the Dominican Republic in the 1980s and early 1990s has a lot to do with the massive emigration of Dominicans to the U.S. during the last decade. For almost every single year between 1982 and 1992, Gross National Product in the Dominican Republic declined. During this time period, consumption per-capita *dropped* by 22 percent. By 1992, income per-capita in the Dominican Republic was below levels reached in the early 1970s, when adjusted for inflation [see Unidad de Investigaciones Economicas (1992)]. In

part, the experience in the Dominican Republic constituted that of Latin America. An external debt crisis, high international interest rates, and a deterioration in commodity prices and export markets led to what has been referred to as "the lost decade" for Latin America in the 1980s. However, among all Latin American countries, the Dominican economy was one of the most affected by the economic crises of the 1980s.

The economic strategies adopted by the Dominican government contributed to the economic breakdown in the Island. The growth of the external public debt, in combination with

FIGURE 3

IMMIGRATION AND UNEMPLOYMENT RATE DIFFERENTIALS BETWEEN THE DOMINICAN REPUBLIC AND THE UNITED STATES



Sources: For the number of immigrants, see Figure 2. For the unemployment rate in the Dominican Republic, the data for 1980-1991 are from: Ceara Hatton and Coes Hernandez (1993). For unemployment in the United States, the figures are for the average Hispanic unemployment rate in New York City, as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

monetary and fiscal policy instability, precipitated a debt crisis which led to a series of drastic austerity programs implemented since 1984. The economic development initiatives pursued by the government also contributed to the economic breakdown. During the 1970s, seeking to re-articulate itself into the world economy in a more effective manner, the government shifted away from a development strategy oriented to the export of traditional products and raw materials (coffee, sugar, cocoa, tobacco, ferroniquel and *doré*). Instead, the new strategy centered on the development of industrial production in Free Trade Zones, tourism, and the export of non-traditional products. The new initiative created a whole array of jobs, increasing production and exports. Many newly-created firms emerged, from textile factories to massive hotel complexes. However, the policies instituted to favor and subsidize these new sectors also acted to penalize and tax others, including traditional agricultural exports and many services. As a result, some of the stronger generators of employment in the past muddled-through a decade of crisis.

Overall, these tendencies had a negative effect on the demand for labor. Although industrial employment in Free Trade Zones and in tourism boomed, by 1991, less than 13 percent of the employed labor force was in industry [see Santana and Rathe (1993), pp. 185-6]. Instead, unemployment increased dramatically, rising from 15 percent in 1971 to 20 percent in 1981 and to 30 percent in 1991. This occurred during a period when real wages were also declining. Although the minimum wage was adjusted upwards several times during the 1980s, by 1991 the purchasing power of the minimum wage reflected half the value it had in the early 1970s [see U.I.E. (1992)]. Poverty rose sharply.

During the last fifteen years, the Dominican Republic has experienced a profound economic depression. As standards of living deteriorated, a greater number of Dominicans sought emigration as a way out of impoverishment. They thus moved in increasing numbers to the U.S. and, particularly, New York City.

3. THE SOCIOECONOMIC STATUS OF THE DOMINICAN POPULATION

What is the current socioeconomic status of the Dominican population in New York City? How does it compare with that of the overall population in the City? Column 1 of Table 4 displays the average annual household income of various groups of New Yorkers in 1990. As can be seen, the Dominican population of New York City had significantly lower household income than that characterizing the overall population in the City. The household income of the average Dominican household in New York City in 1989 was $27,005, compared to an average of $47,145 among New York households in general. Dominican income was also lower than that of the other major racial and ethnic groups in New York. For instance, the income of the average Dominican household was less than half that of the average White household.

TABLE 4

THE SOCIOECONOMIC STATUS OF THE DOMINICAN POPULATION IN NEW YORK CITY, 1990

	Mean Household Income, 1989	Persons in Household	Per-Capita Household Income, 1989	Poverty
Dominican Population	$27,005	4.7	$6,336	36.6%
New York City Average	47,145	3.6	16,412	17.2
Non-Hispanic White Population	59,961	3.0	23,276	8.2
Non-Hispanic Black Population	36,558	4.0	10,894	22.9
Hispanic Population, Overall	30,726	4.2	8,515	31.4

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1990 U.S. Census of Population*

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In comparing the household income of various groups in the population, it should be considered that the number of people residing in a household may vary across the groups examined. Because of this variability, two households with identical income may have widely different standards of living: if one household has ten persons living in it while the other has only three persons, the standard of living is much higher in the latter. In order to adjust for differences in household size, economists usually divide household income by the number of persons in the household to compute per-capita household income.

The second column of Table 4 shows the great variability in the average number of persons per household across the various groups of New Yorkers considered. The Dominican population, in particular, has on average one more person per household than the average household in New York City. This confirms the importance of computing income per-capita, which is presented in the third column of Table 4. Note that the income differentials between the population of Dominican ethnicity and the rest of the population do not disappear when one considers per-capita income and, in fact, they are magnified. The explanation is that: (1) the Dominican population in New York has significantly larger household size than the average, and (2) households with larger numbers of members also have lower income.

The third column of Table 4 shows the per-capita household income levels for the overall resident population of New York and Dominican New Yorkers in 1990. Per-capita income among Dominicans was substantially lower than the average for New York. The Dominican income of $6,336 per person was 27.2 percent of the one prevailing among non-Hispanic Whites. Furthermore, the per-capita income of the Dominican population was much lower than that of the Black and overall Hispanic populations.

It can be concluded that the economic situation of Dominican New Yorkers, as described by the Census in 1990, was sharply lower than that of the rest of the population in the City,

including other Hispanics. It is not surprising, then, that the Dominican population had the highest poverty rate in the City in 1990. Table 4 presents the poverty rates for the major ethnic and racial groups residing in New York in 1990. The proportion of Dominican persons living in households with income below the poverty level in 1990 was 36.6 percent, compared to an overall poverty rate of 17.2 percent for the overall City.

Table 5 displays the changes in the average per-capita income of the resident population of New York between 1980 and 1990. The figures for income in 1979 are adjusted for inflation --expressed in 1989 dollars-- so as to be able to better measure the changes in the standard of living of the population. As Table 5 shows, the Dominican population exhibited a 7 percent increase in per-capita household income during the 1980s: In 1979, the annual household income per person among Dominicans was $5,920, expressed in 1989 dollars. By 1989, the per-capita income of this population was equal to $6,336. This increase in income, though positive, pales compared to the rise for the overall population in the City. Between 1979 and 1989, the average

TABLE 5

CHANGES IN PER-CAPITA HOUSEHOLD INCOME OF DOMINICANS IN NEW YORK CITY
1980 and 1990

	1979 Per-Capita Household Income (1989 $)	1989 Per-Capita Household Income (1989 $)	% Change 1980 to 1990
Dominican Population	$5,920	$6,336	7.0%
New York City Average	12,765	16,412	28.6
Non-Hispanic White Population	16,336	23,276	42.5
Non-Hispanic Black Population	8,600	10,894	26.7
Hispanic Population, Overall	7,085	8,515	20.2

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1990 and 1980 U.S. Census of Population*. The data for 1979 income are in 1989 dollars and have been adjusted by the change in the U.S. Consumer Price Index between 1979 and 1989 as published by the U.S. Bureau of Labor Statistics.

increase in per-capita income in the City was equal to 28.6 percent. For the non-Hispanic White population, the income gains were equal to 42.5 percent.

The slower growth of per-capita income among the Dominican population in the 1980s means that its economic status relative to other groups in the population *deteriorated*. In 1979, the per-capita income of Dominicans relative to non-Hispanic Whites was 36.2 percent, but by 1989, this proportion was down to 27.2 percent.

The slight improvement in the average per-capita income of the Dominican population in the 1980s is linked to the absence of a significant reduction in poverty levels. Table 6 presents poverty rates for the major racial and ethnic groups of the population residing in New York City in 1980 and 1990. As Table 6 shows, the poverty rate of the Dominican population stayed virtually unchanged at 36 percent between 1980 and 1990. At the same time, poverty declined for the overall population, although the drop was small, from 18 percent to 17.2 percent.

TABLE 6

CHANGES IN POVERTY IN NEW YORK CITY, 1980 - 1990

Population Group	Poverty rate 1980	1990
Dominican Population	36.0	36.6%
New York City Average	18.0	17.2
Non-Hispanic White Population	8.7	8.2
Non-Hispanic Black Population	28.3	22.9
Hispanic Population, Overall	35.0	31.4

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1980 and 1990 U.S. Census of Population*.

There exist significant income differences between immigrants and the native-born. As a result, the gap between the income of Dominicans and other groups presented in Table 5 may be related to the much larger proportion of immigrants among Dominicans relative to the other populations. Table 7 presents the changes in per-capita household income of immigrants and non-immigrants in the 1980s, adjusted for inflation. As can be seen, the overall immigrant population in New York exhibited an average increase in per-capita income of 15.9 percent between 1979 and 1989 Non-immigrants, on the other hand, had more than twice the income growth, equal to 33.3 percent. The slower income growth of immigrants in New York City during the 1980s relative to non-immigrants suggests that the plight of the Dominican population reflects economic trends which have affected all immigrants, not just Dominicans. Indeed, immigrants from the Dominican Republic displayed only a 7.1 percent gain in income per-capita during the 1980s. This reflects a significantly slower income growth compared to non-immigrants and also the overall immigrant population. One has to determine whether the economic forces which have

TABLE 7

CHANGES IN PER-CAPITA HOUSEHOLD INCOME OF IMMIGRANTS and NON-IMMIGRANTS NEW YORK CITY, 1979 - 1989
All persons

Population Group	Per-Capita Income 1979 (1989$)	1989	Change in Income (%) 1979 - 1989
New York City Non-Immigrants	$13,543	$18,050	33.3%
New York City Immigrants	10,773	12,487	15.9
Dominican Immigrants	6,293	6,741	7.1

Source: 5% Public Use Micro Data Sample (PUMS), U.S. Department of Commerce, *1990 and 1980 U.S. Census of Population*. The data for 1979 income are in 1989 dollars and have been adjusted by the change in the U.S. Consumer Price Index between 1979 and 1989 as published by the U.S. Bureau of Labor Statistics.

negatively impacted the economic situation of immigrants have had greater effect on Dominican migrants. At the same time, economic forces may be compounded with demographic factors in influencing the social and economic status of Dominicans in the City. The next section examines basic demographic changes in the Dominican population.

4. DEMOGRAPHIC FACTORS AND SOCIOECONOMIC STATUS

One possible set of explanations for the sustained, high poverty rates among Dominicans in New York City is demographic. The age structure of a population, for instance, makes a significant difference in terms of income: except for the very old, as persons age, they generally have higher income than when they were younger. As a result, if the average age of a population is less than that of other groups, its average income may be lower and poverty rates higher.

Although the Dominican population in New York City does appear to be getting older on average, it remains a remarkably young population. The average age of Dominicans in New York City rose from 26.9 years in 1980 to 28 years in 1990. By comparison, the average age of New Yorkers was 36 years in 1990 (up from 35.5 years in 1980).

The observed differences in the average age of the Dominican population relative to the overall New York City population explains part of the lower socioeconomic status of that population. A second factor explaining the sustained high poverty levels among Dominican New Yorkers could be family structure or marital status. It is well-known that, because of their more difficult socioeconomic and labor market situation, separated or divorced women, as well as single women with children, tend to have higher poverty rates than married couples. As economists Sheldon Danziger and Peter Gottschalk observe: " Since these [the above-mentioned households] have much lower income than married-couple families, this demographic shift places

more families in the lower tail of the distribution and is clearly poverty-increasing" [Danziger and Gottschalk (1993), p. 14].

As Table 8 shows, the proportion of the New York Dominican population living in households headed by women, with no spouse present, rose sharply during the 1980s, from 34 percent in 1980 to 40.7 percent in 1990. By contrast, in the overall population of New York, the proportion of persons living in households headed by women, no spouse present, slightly rose from 19.2 percent in 1980 to 21.7 percent in 1990. A high proportion of the Dominican population under poverty consists of female-headed households with children. As a result, 47 percent of all Dominican children in New York lived in poor households in 1990.

Demographic factors do appear to play a significant role in explaining the comparatively lower income level of Dominicans in New York as well as their comparatively high poverty rates. A significantly lower mean age, combined with a comparatively high, and rising, proportion of female-headed households lie behind these trends. This is not, however, the whole story. A second set of factors is related to the labor market. We discuss these in the next section.

TABLE 8

PROPORTION OF THE POPULATION IN FEMALE-HEADED HOUSEHOLDS, NO SPOUSE PRESENT
New York City, 1980 - 1990

Population Group	Proportion of Female-Headed Households 1980	1990
Dominican Population	34.0%	40.7%
New York City Average	19.2	21.7
Non-Hispanic White Population	9.4	9.2
Non-Hispanic Black Population	35.6	38.8
Hispanic Population, Overall	31.5	34.3

Source: 5% PUMS, U.S. Department of Commerce, *1980 and 1990 U.S. Census of Population.*

5. THE LABOR MARKET SITUATION OF THE DOMINICAN POPULATION

The lagging per-capita household income prevailing among the Dominican population in the 1980s, as established earlier, can be explained by major shifts occurring in the American labor market during the decade. These changes impacted more negatively on the employment and earnings of the Dominican population, when compared to other groups in the country. Indeed, while certain groups in the labor market were greatly gaining from the economic expansion of the 1980s, large numbers of Dominicans, as well as other groups with similar characteristics, were suffering from a collapsing labor market. What is remarkable is that, within these deteriorating labor market conditions, the Dominican population was able to sustain any economic gains at all.

Labor market outcomes include: (1) labor force participation, (2) employment or unemployment rate of those persons who are in the labor force, and (3) earnings received by those who are employed. We examine how these variables changed in the 1980s, both for the Dominican population as well as the overall population in New York City.

Labor Force Participation and Unemployment

Table 9 presents labor force participation rates in New York City in 1980 and 1990, decomposed by race/ethnicity and gender. The proportion of men participating in the labor force for the Dominican population has generally been higher than that among the general population of New York City. In 1990, a total of 73.1 percent of Dominican men in New York City were in the labor force, compared to 71.8 percent for the overall population. In fact, among the major groups considered in Table 9, Dominican men had the highest rate of labor force participation rate. It should be noted that, while labor force participation rates for the overall population grew

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TABLE 9

LABOR FORCE PARTICIPATION RATES IN NEW YORK CITY, 1980 - 1990
Persons 16 years of age or older

Population Group	Labor Force Participation Rate (%) Male		Female	
	1980	1990	1980	1990
Dominican Population	75.6	73.1	47.3	49.1
New York City overall	70.5	71.8	47.8	54.6
Non-Hispanic White Population	71.8	72.4	47.5	53.3
Non-Hispanic Black Population	65.0	67.8	51.9	60.2
Hispanic Population	70.6	72.6	41.2	49.2

Source: See earlier tables. Author's tabulations.

in the 1980s, among Dominican men labor force participation declined during the decade. By contrast, among Dominican women, the labor force participation rate increased from 47.3 percent in 1980 to 49.1 percent in 1990. It is still true, however, that, as Table 9 shows, Dominican women displayed a smaller increase in labor force participation during the 1980s when compared to other women in New York City. As a matter of fact, in 1980, Dominican women had labor force participation rates which were approximately equal to those of the overall population in New York. But by 1990, Dominican women had lower participation rates compared to the overall female population of New York City.

The lower labor force participation rates of Dominican women relative to the overall female population of New York are partly associated with the higher poverty rates of the Dominican population, particularly among female-headed households. However, this factor is only a small part of the overall picture. The fact is that, among men, Dominican labor force participation rates exceeded those of other groups in New York City. Furthermore, even among women, the labor force participation rate of the Dominican population was only 4 percentage

points below that of the non-Hispanic White population in the City. Hardly a magnitude to explain a difference in poverty rates of 20 percentage points between these two groups. One must look elsewhere to find explanations for the lower socioeconomic status of Dominicans in New York. In fact, the two labor market indicators examined next: unemployment and earnings are more important in explaining relative socioeconomic status in the population.

Table 10 displays the proportion of the labor force that was unemployed in 1980 and 1990, for various ethnic/racial groups in New York City. The data are decomposed by gender. As Table 10 shows, the unemployment rate of Dominicans in New York City was the highest of all groups in the population, both for men and women. Among Dominican men, the unemployment rate in 1990 was equal to 15.7 percent, compared to 8.7 percent for the overall population. Among women, Dominicans had an unemployment rate equal to 18.4 percent in 1990, compared to 8.1 percent for the overall population. Relative to the non-Hispanic White population, Dominican unemployment rates, for both men and women, were approximately three times higher.

TABLE 10

UNEMPLOYMENT RATES IN NEW YORK CITY, 1980 - 1990
Persons 16 years of age or older

Population Group	Unemployment Rate (%)			
	Male		Female	
	1980	1990	1980	1990
Dominican Population	14.3	15.7	9.5	18.4
New York City overall	7.0	8.7	6.6	8.1
Non-Hispanic White Population	5.0	5.5	5.1	4.9
Non-Hispanic Black Population	13.1	14.3	9.9	10.9
Hispanic Population	14.0	12.4	12.2	13.6

Source: See earlier tables. Author's tabulations.

Unemployment among Dominicans in New York rose in the 1980s. Among men, unemployment increased from 14.3 percent in 1980 to 15.7 percent in 1990. For women, unemployment increased from 9.5 percent to 18.4 percent. Unemployment for the overall New York City population also rose in the 1980s, but by a smaller amount. Among men, unemployment rose from 7 percent in 1980 to 8.7 percent in 1990. For female New Yorkers, unemployment increased from 6.6 percent in 1980 to 8.1 percent in 1990.

The high unemployment rates facing Dominicans in New York City constitute one of the most significant barriers to economic progress. This is especially so for Dominican women, whose unemployment rate doubled in the 1980s. Table 11 shows how some of the determinants of unemployment affected Dominicans in the labor market. Higher unemployment rates are significantly linked to educational attainment (the lower the educational attainment, the higher the likelihood of unemployment), English language proficiency (the lower the proficiency, the

TABLE 11

THE DETERMINANTS OF UNEMPLOYMENT
Persons in the labor force

Category	Unemployment Rate	Category	Unemployment Rate
Educational Attainment		**Age**	
Less than High School	18.4%	16 to 19	31.2%
High School	18.3	20 to 29	19.4
Some College	13.2	30 to 39	15.6
College or More	12.5	40 to 49	13.0
Migrant Status		**Speaks English Language**	
Between 1980 - 90	19.2	Very Well	15.5
Before 1980	14.0	Not Well	18.2
		Not at all	18.8
Disability Status			
Some Disability	20.6		
No Disability	16.5		

Source: See earlier tables. Author's tabulations.

greater the likelihood of unemployment), recency of migration (the more recent the migrant, the higher the likelihood of unemployment), the age of the person (the younger the worker, the higher the unemployment), and health disability (if the person has some health disability, the unemployment rate is much higher). For instance, Table 11 shows that the unemployment rate prevailing among Dominicans with less than a high school education was 18.4 percent, compared to a 12.5 percent unemployment rate among college graduates. Similarly, for persons aged 16 to 19 years of age, 31.2 percent were unemployed, compared to a 13 percent unemployment rate among persons aged 40 to 49.

Earnings

Table 12 presents the annual earnings of Dominicans in 1979 and 1989, compared with those of other groups of workers in the population. The 1979 figures have been adjusted for inflation and expressed in 1989 dollars. As can be seen, the average annual earnings of Dominican men in 1989 were the lowest of all the groups examined in Table 12. For Dominican men, annual earnings in 1989 were on average equal to $15,139, substantially below those of the overall New York City male worker population, whose earnings were $28,815 in 1989. Among Dominican women, the annual earnings of $11,371 in 1979 were substantially lower than those of women overall, whose earnings were $20,425.

The earnings of Dominican workers increased in the 1980s, when adjusted for inflation. In Table 12, it is shown that the annual earnings of Dominican men increased in the 1980s by approximately 8 percent and those of women by 13.6 percent. Still, these changes in earnings lied substantially below those of most other ethnic and racial groups in the population. For instance, non-Hispanic Whites had earnings growth of 26.6 percent among men, and 25.3

percent among women, during the 1980s. The slower growth of Dominican earnings relative to non-Hispanic Whites led to a growing earnings gap between the two groups. In 1979, Dominican men made 48.3 cents per dollar earned by non-Hispanic White men. By 1989, the corresponding number was 41.7 cents per dollar. Among women, in 1979 Dominicans earned 57.4 cents per dollar earned by non-Hispanic White women. By 1989, the number was 48.3 cents per dollar.

The widening gap in earnings between Dominican workers and the average worker in New York City helps explain the growing socioeconomic disparity in the City. Combined with the higher unemployment rates of Dominicans in New York, these two forces explain to a large extent the comparatively high poverty rates of Dominicans in New York.

As with unemployment rates, we have carried out statistical analysis to examine the

TABLE 12

CHANGES IN ANNUAL EARNINGS IN NEW YORK CITY
1979 - 1989
Employed persons 16 years of age or older

Population Group	1979 Earnings (In 1989 $)	1989 Earnings 1980-1990	% Change
	A. MEN		
Dominican Population	13,982	15,139	8.3%
New York City overall	25,141	28,815	14.6
Non-Hispanic White Population	28,653	36,272	26.6
Non-Hispanic Black Population	19,140	20,703	8.2
Hispanic Population	17,908	18,540	3.5
	B. WOMEN		
Dominican Population	10,007	11,371	13.6%
New York City overall	16,304	20,425	25.3
Non-Hispanic White Population	17,411	23,521	35.1
Non-Hispanic Black Population	15,566	18,695	20.1
Hispanic Population	12,611	14,553	15.4

Source: See earlier tables.

determinants of earnings among Dominican workers in New York City [the results are available from the authors, by request]. Our analysis suggests that higher educational attainment, younger age, English language deficiency and recency of migration, among other factors, are all associated with lower earnings. Of all these forces, however, it is educational attainment which provides the strongest stimulus to increase the likelihood of employment as well as higher wages. The next section examines educational attainment.

6. THE EDUCATIONAL ATTAINMENT OF DOMINICANS IN NEW YORK

An analysis of the determinants of employment rates and earnings suggests that educational attainment is one of the key factors determining success in the labor market. Higher educational attainment raises worker productivity and leads to increased earnings and lower unemployment. Education is also used by employers as a screening device, with less-educated workers out-ranked by more-educated workers in the rationing of, both, entry-level jobs and higher-paying promotions.

There is also the fact that the labor market for workers with comparatively low educational attainment collapsed in the U.S. during the 1980s. Higher education became much more richly rewarded economically in the last decade. As these changes occurred, unskilled workers suffered a deterioration of their employment opportunities and their earnings. Groups in the population with a high proportion of college-educated persons became richer while groups with high numbers of workers with less than high school education became poorer. The Dominican population falls in the latter category.

Table 13 presents the educational outcomes of the Dominican population in the United States in 1990, compared to the overall population of New York City. Note that, by far, the Dominican population had the highest proportion of persons with educational attainment less than

TABLE 13

THE EDUCATIONAL STATUS OF THE POPULATION IN NEW YORK CITY, 1990
Persons 25 years of age or older

Population Group	Percentage of the Population Completing: Less than High School	High School	Some College	College or More
Dominican Population	52.3%	20.4%	19.3%	8.0%
New York City, Overall	20.8	24.8	24.5	29.9
Non-Hispanic White	11.7	23.2	23.5	41.6
Non-Hispanic Black	24.9	29.9	29.6	15.6
Hispanic	40.4	25.6	23.1	10.9

Source: See earlier tables. Author's tabulations.

a high school diploma. A total of 52.3 percent of the Dominican population in the U.S. with 25 years of age or older had not completed high school. Only 8 percent of this group had in fact completed college. These figures reflect substantially lower educational attainment relative to the major other groups of New Yorkers in Table 13. For instance, for the overall population with 25 years of age or older in New York, only 20.8 percent had not completed a high school education and 29.9 percent had completed college.

In spite of the comparatively low educational attainment in 1990, the average educational attainment of Dominicans in 1990 was substantially higher than that in 1980. Table 14 shows the changes in educational attainment of the Dominican population, compared with the overall population of New York City. In 1980, the proportion of Dominicans with 25 years of age or older who had not completed a high school education was 72 percent, which declined to 52.3 percent by 1990. At the same time, the proportion completing college rose from 3.8 percent in 1980 to 8 percent in 1990. Although this is a significant increase, note that the overall population in New York with a college degree grew at a much faster rate. The proportion of New Yorkers with a college degree increased from 19.8 percent in 1980 to close to 30 percent in 1990. This

TABLE 14

CHANGES IN EDUCATIONAL ATTAINMENT OF THE DOMINICAN POPULATION, 1980 - 1990

Persons 25 years of age or older

Population Group		Percentage of the Population Completing: Less than High School	High School	Some College	College or More
Dominican Population,	1980	72.0	16.5	7.7	3.8
	1990	52.3	20.4	19.3	8.0
New York City, Overall,	1980	35.8	30.9	13.5	19.8
	1990	20.8	24.8	24.5	29.9

Source: See earlier tables. Author's tabulations.

implies that, in spite of significant increases in educational status, the Dominican population was still falling behind relative to the overall New York population (especially the non-Hispanic White population, as Table 13 indicates).

Furthermore, the nature of the changes in the educational attainment of the Dominican population become more complex when the population is decomposed into immigrants and those born in the United States. As Table 15 shows, a major reason for the overall rise in educational attainment among Dominicans is the increase in the schooling of the immigrant population. In 1980, a total of 72.7 percent of Dominican immigrants with 25 years of age or older had not completed a high school education. By 1990, a total of 54.3 percent had less than a high school education. Similarly, the proportion of Dominican immigrants with a college degree more than doubled during the decade, rising from 3.5 to 7.5 percent. By comparison, among U.S.-born Dominicans, the drop in the proportion with less than a high school education was small, declining from 35 percent in 1980 to 30.6 percent in 1990. In addition,

TABLE 15

CHANGES IN EDUCATIONAL ATTAINMENT OF U.S.-BORN AND IMMIGRANT DOMINICANS

Persons 25 years of age or older

Population Group		Percentage of the Population Completing: Less than High School	High School or Some College	College or More
Dominican Immigrants,	1980	72.7	23.8	3.5
	1990	54.3	38.2	7.5
U.S.-Born Dominicans,	1980	35.0	48.3	16.7
	1990	30.6	57.2	12.2

Source: See earlier tables. Author's tabulations.

for this group, the proportion of persons 25 years of age or older going to college *declined* in the 1980s, dropping from 16.7 percent in 1980 to 12.2 percent in 1990.

Compared to the rest of the population in New York City, the Dominican population has a higher proportion of their labor force in unskilled, blue-collar jobs, a phenomenom associated with their lower overall educational attainment. Table 16 shows the occupational distribution of the labor force in New York City, decomposed by the major racial and ethnic groups examined in this paper. As can be seen, the Dominican population had the lowest proportion of professional and managerial jobs in the City. A total of 9.6 percent of the Dominican population was employed in executive and managerial jobs in 1990, compared to 13.9 percent for the overall Hispanic population, 19.6 percent for Blacks and 38.5 percent among Whites. At the same time, the proportion of the labor force employed as operators, laborers and fabricators was the highest in the City, equal to 30.9 percent in 1990. This contrasts sharply with a 22.1 percent for the overall Hispanic population, 12.8 percent for Blacks and 7.6 percent among Whites.

TABLE 16

OCCUPATIONAL DISTRIBUTION OF THE LABOR FORCE IN NEW YORK CITY
Persons 16 years of age or older

Occupation	Non-Hispanic White	Non-Hispanic Black	Hispanic	Dominican
Managerial and Professional	38.5%	19.6%	13.9%	9.6%
Technical, Sales and Administrative Support	35.6	36.6	30.9	27.1
Service Workers	10.1	24.0	23.1	22.5
Farming, Forestry and Fishing	0.4	0.4	0.6	0.4
Precision Product. Craft and Repair	7.8	6.6	9.4	9.6
Operators, Fabricators and Laborers	7.6	12.8	22.1	30.9

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1990 U.S. Census of Population*.

In spite of the comparatively high proportion of the Dominican labor force continuing to be employed in unskilled, blue-collar occupations, this proportion declined during the 1980s. Table 17 presents the changes in the occupational distribution of the labor force between 1980 and 1990 for New York City overall and for the Dominican population in particular. The proportion of the Dominican labor force working in professional and managerial occupations rose from 4.7 percent in 1980 to 9.6 percent in 1990. At the same time, the proportion employed as machine operators, fabricators and laborers declined from 46.8 percent of the labor force to 30.9 percent.

TABLE 17

OCCUPATIONAL DISTRIBUTION OF THE LABOR FORCE IN NEW YORK CITY
Persons 16 years of age or older

Occupation	Overall New York City		Dominican	
	1980	1990	1980	1990
Managerial and Professional	24.7%	28.8%	4.7%	9.6%
Technical, Sales and Administrative Support	36.3	34.9	19.8	27.1
Service Workers	15.2	16.2	18.7	22.5
Farming, Forestry and Fishing	0.5	0.4	0.3	0.4
Precision Product, Craft and Repair	8.3	7.7	9.3	9.6
Operators, Fabricators and Laborers	15.0	12.1	46.8	30.9

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1980 and 1990 U.S. Census of Population*.

The lower educational attainment of the Dominican population in New York explains to a large extent the deteriorating relative earnings and employment of this group in the 1980s. The sluggish labor market facing unskilled workers in New York City during the decade resulted in the serious earnings losses documented in the last section. This is a pattern that applies also to other groups of unskilled workers in New York. Table 18 depicts the changes in the annual earnings of workers in New York City during the 1980s, by educational attainment. Workers with less than high school education did not exhibit any improvement in earnings (adjusted for inflation) during the 1980s. Even the gains for high school graduates were meager, being equal to just 2.1 percent for men and 4.8 percent for women over a period of a decade. By contrast,

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TABLE 18

THE ECONOMIC RETURNS TO EDUCATION IN NEW YORK CITY, 1979 and 1989
Average Annual Earnings of Immigrant Workers, 25-64 years old

Educational Attainment		1979 Earnings (1989$)	1989 Earnings (1989$)	% Change 1979-1989
Less than High School	Men	$19,780	$19,793	0.0%
	Women	15,315	14,693	-4.1
High School Graduate	Men	25,184	25,718	2.1
	Women	19,909	20,861	4.8
Some College	Men	28,088	30,652	9.1
	Women	24,577	26,844	9.2
College Graduate or more	Men	36,446	47,019	29.0
	Women	30,072	38,775	28.8

The inflation-adjusted data for 1979 earnings are in 1989 dollars and have been adjusted by the change in the Consumer Price Index between 1979 and 1989.

Source: 1980 and 1990 U.S. Census of Population and Housing 5% PUMS.

college graduates in New York earned approximately 29 percent more in 1989 than in 1979, both male and female.

What explains the deteriorating labor market conditions of unskilled immigrants? Research on this issue suggests that economic restructuring and technological changes in the workplace, which have reduced the demand for unskilled labor relative to skilled labor account for most of the changes. Economic restructuring, in the form of a sharp contraction of blue-collar manufacturing, replaced with an increase in white-collar service sector employment, has been postulated as an explanation for the drop of economic opportunities for unskilled, blue-collar workers. In addition, the research by economists Kevin Murphy of the University of Chicago, Finis Welch of UCLA, and Alan Krueger of Princeton suggests that most of the drop in the

wages of unskilled workers relative to educated labor in the United States during the 1980s is related to technological change in the workplace. These technological changes, such as those relating to the use of computers, reduced the demand for unskilled workers, shifting upwards the demand for highly-educated labor. The result was an increase in the wage premium paid to education in the labor market.

7. THE INDUSTRIAL DISTRIBUTION OF THE DOMINICAN WORKFORCE

The deteriorating earnings of unskilled workers has affected the Dominican population more than other groups in New York City. There is a second phenomenon which has also impacted the Dominican population more than others. During the 1970s and 1980s, the number of manufacturing jobs in New York City declined sharply, as the economy restructured from manufacturing to services. Between 1967 and 1987, for instance, manufacturing employment declined by 520,300 jobs. This led to a collapse of industrial-type employment opportunities. As a consequence, groups with disproportionate manufacturing employment in their labor force were also disproportionately affected by this restructuring.

Another sector which suffered from declining employment in New York City in the 1970s and 1980s was the retail and wholesale trade sector. Between 1967 and 1987, the number of jobs in the trade sector in New York City declined by 106,100. Although not as substantial as the decline of manufacturing, the lag of employment creation in retail and wholesale trade contributed to the deterioration of employment for those groups in the population with high rates of employment in this sector. The Dominican population was the most significantly hurt of all racial and ethnic groups by the decay of manufacturing and trade employment in the City in the 1980s.

Table 19 presents the industrial composition of the labor force in New York City in 1990, for the major ethnic and racial groups considered in this paper. The data reflect the sector of employment of persons in the labor force in 1990. For persons employed, this is their actual employment at the time of interview in 1990. For unemployed persons, it represents the industry of their last job.

The Dominican population had by far the highest proportion of persons employed in manufacturing in 1990. A total of 25.7 percent of the Dominican labor force was employed in manufacturing in 1990. This compares to 18.6 percent among the overall Hispanic population, 10.9 percent among non-Hispanic Whites, and 8.2 percent for non-Hispanic Blacks. Table 19 also shows that, among all groups, Dominicans had the highest share of their labor force employed in the trade sector. A total of 27.6 percent of the Dominican labor force in 1990 was in the trade sector. By contrast, 22.5 percent of the Hispanic population overall was employed in the trade sector, 17.9 percent of Whites and 14.1 percent of Blacks.

Despite the high proportion of Dominicans employed in the manufacturing sector in 1990, the 1980s had resulted in a deep shift of employment out of manufacturing for Dominicans. Table 20 presents the changes in the industrial distribution of the labor force for New York City overall and the Dominican population. For New York City, the proportion of the labor force in manufacturing declined from 18 percent in 1980 to 12.1 percent in 1990. But for the Dominican population, the shift was from 48.6 percent in 1980 to 25.7 percent in 1990. For workers who were employed in manufacturing in 1990, and moved to other sectors by 1990, the transition was likely to be associated with unemployment. In fact, the comparatively high unemployment rate among Dominican workers may be associated with the decline of manufacturing as a sector of employment. This explanation should be combined, however, with the fact that the most significant sector of work for Dominicans in the 1980s became the trade sector, whose

TABLE 19

INDUSTRIAL DISTRIBUTION OF THE LABOR FORCE IN NEW YORK CITY
Persons 16 years of age or older

Industry	Non-Hispanic White	Non-Hispanic Black	Hispanic	Dominican
Agriculture, Forestry and Mining	0.5	0.3	0.5	0.3
Construction	4.9	4.2	4.9	4.3
Manufacturing	10.9	8.2	18.6	25.7
Transportation Communications Public Util.	8.2	11.7	7.6	6.6
Trade	17.9	14.1	22.5	27.6
FIRE	13.1	10.1	8.6	5.5
Professional Services (Health, Educat.)	28.7	32.0	19.7	14.4
Business Services	6.2	7.1	7.0	6.8
Personal/ Entertainment Services	5.5	5.8	7.0	7.0
Public Administration	4.1	6.5	3.6	1.9

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1980 and 1990 U.S. Census of Population.*

TABLE 20

CHANGES IN THE INDUSTRIAL DISTRIBUTION OF THE LABOR FORCE IN NEW YORK CITY

Persons 16 years of age or older

Industry	New York City Overall		Dominican Population	
	1980	1990	1980	1990
Agriculture, Forestry and Mining	0.4	0.4	0.3	0.3
Construction	3.1	4.6	1.8	4.3
Manufacturing	18.0	12.1	48.6	25.7
Transportation and Communications	9.0	8.8	2.9	6.6
Trade	19.2	18.7	20.1	27.6
FIRE	10.5	11.3	6.3	5.5
Professional Services (Health, Educ.)	22.8	27.3	7.7	14.4
Business Services	6.5	6.5	4.8	6.8
Personal/Entertainment Services	5.6	5.9	6.4	7.0
Public Administration	4.9	4.4	1.4	1.9

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1980 and 1990 U.S. Census of Population*.

employment growth also lagged relative to other sectors, such as services or construction). Industrial restructuring also helps understand the dramatic increase of unemployment among Dominican women in the 1980s. The employment of Dominican women in manufacturing is much higher than that among men. Table 21 displays the industrial distribution of the laboir force for men and women in New York City. As can be seen, in 1990, approximately one-third (33.1 percent) of all Dominican women worked in manufacturing. By comparison, 18.4 percent of Dominican men were employed in manufacturing.

TABLE 21

INDUSTRIAL DISTRIBUTION OF THE DOMINICAN LABOR FORCE, BY GENDER

Persons 16 years of age or older

Industry	Dominican Population	
	Male	Female
Agriculture, Forestry and Mining	0.4	0.1
Construction	7.9	0.7
Manufacturing	18.4	33.1
Transportation and Communications	9.9	3.2
Trade	32.9	22.1
FIRE	5.8	5.2
Professional Services (Health and Education)	8.5	20.5
Business Services	8.9	4.5
Personal/Entertainment Services	5.4	8.7
Public Administration	1.8	1.9

Source: 5% Public Use Micro Data Sample, U.S. Department of Commerce, *1980 and 1990 U.S. Census of Population.*

8. CAPITALISTS OF THE TROPICS?: SELF-EMPLOYMENT AMONG DOMINICANS

Previous sections have documented the difficult economic conditions facing the Dominican population in New York City. The picture that emerges here conflicts with the perception of some observers, who feel that immigrants from the Dominican Republic have been progressing quickly, partly by means of a booming entrepreneurial class. For instance, sociologists Alejandro Portes and Luis Guarnizo state that "A large part of it [the Dominican community in New York City] is involved in entrepreneurial activities, creating a vibrant ethnic economy... We found a prosperous entrepreneurial community with characteristics not very different from those present in the initial stages of the Cuban immigrant enclave (Little Havana) in Miami or the Koreatown area of Los Angeles..." [Portes and Guarnizo (1990), p. 60; see also Chavez (1991, pp. 150-51]]. The suggestion made by these authors is that the Dominican population in New York City has rates of self-employment that exceed those of other groups in the population and that this has been associated with great economic progress.

In contrast to the perception in some circles, the 1990 Census data does not support the view that self-employment rates among the Dominican population exceed those of the overall population in New York City. Table 22 displays the rates of self-employment among Dominican and other groups in New York City in 1990. The proportion of Dominicans in the labor force who were self-employed in 1990 was equal to 7 percent. This is below the rate of self-employment of the overall labor force in New York City, which was equal to 8.9 percent in 1990. It is also much lower than the self-employment for the White population, which was equal to 12 percent. Self-employment among Dominicans did exceed that of the overall Hispanic and non-Hispanic Black populations. Within the Hispanic population, however, Cubans had a greater self-employment rate, equal to 10.1 percent in 1990.

TABLE 22

TYPE OF EMPLOYMENT IN THE LABOR FORCE
NEW YORK CITY, 1990

Persons 16 years of age or older who worked in the last 5 years

Ethnic/Racial Group	Proportion Self-employed	Proportion Employees in: Private Sector	Public Sector
Dominican Population	7.0%	83.2%	9.8%
New York City Overall	8.9	73.9	17.2
Non-Hispanic White Population	12.0	73.3	14.7
Non-Hispanic Black Population	3.9	69.1	27.0
Hispanic Population	5.8	79.4	14.8

Source: 1980 and 1990 U.S. Census of Population and Housing 5% PUMS.

The Census data is inconsistent with the common view that the Dominican population in New York City has been thriving economically through the presence of a disproportionately high rate of business creation and self-employment relative to other ethnic and racial groups. Although this is inconsistent with the perception of some observers, the findings are consistent with those of Waldinger (1986, p.166), who compares the situation of Chinese and Dominican immigrants in New York's garment industry. He finds that "if the two groups are almost evenly represented among the needle trades' proletariat, the Chinese have come to dominate the ranks of the industry's new garment capitalists...the Chinese accounted for 7.8 percent of the self-employed in the garment industry in 1980, whereas Dominicans accounted for only 2.1 percent."

In addition to showing self-employment rates, Table 22 decomposes the proportion of persons in the labor force who were employees in 1990 according to whether they were hired in private-sector and public-sector jobs. The proportion of Dominicans employed in the private sector is the highest of all groups in the population of New York City. A total of 83.2 percent

of all Dominicans in the labor force were employed in the private sector. By comparison, 73.9 percent of the overall New York City population was employed by the private sector in 1990. The other side of the coin is the fact that, of all the groups considered in Table 22, the Dominican population had the lowest proportion of persons employed in the public sector. A total of 9.8 percent of Dominicans in the labor force were employed in the public sector, compared to 17.2 percent in the overall New York City labor force. Of all groups, the Black non-Hispanic population had the greatest rate of public sector employment, equal to 27 percent.

This finding suggests that Dominicans are underrepresented in the New York City public sector labor force. Indeed, although the Dominican population accounts for approximately 5 percent of the population of New York City, only 2 percent of the public sector labor force in 1990 was composed of Dominicans. This underrepresentation in the public sector should be a matter of concern among policymakers in the City.

9. CONCLUSIONS

The following conclusions can be obtained from the research examined in this paper:

(1) The income of the Dominican population is one of the lowest in New York City: With a per-capita income of $6,336 in 1989, Dominican income was well below that of the average person in New York, whose income per-capita was on average $16,416 in 1989.

(2) Over 36 percent of the Dominican population in New York City lives in households which are under the poverty line; this is one of the highest poverty rates in the city, much higher than the overall poverty rate of 17.2 percent.

(3) Approximately 47 percent of Dominican children in New York in 1989 lived in households which are under the poverty line.

(4) The unemployment rate of Dominican women in the city was equal to 18.6 percent in 1990, and among men it was 16 percent; these figures are close to twice those of the overall population in New York.

(5) The earnings of Dominican men and women lagged substantially below those of the general population in New York. In 1989, the annual earnings of Dominican male workers was $15,088, which represents 52 percent of the earnings of the overall workforce in New York city that year; for Dominican women, the annual salary was equal to $11,347, which was not only significantly below that of Dominican men but also substantially below that of the overall female workforce in New York city, which had average annual earnings equal to $20,489.

(6) A major reason for the economic difficulties suffered by the Dominican population in New York city is related to its comparatively low educational attainment: in 1990, as much as 61.5 percent of Dominicans in New York who were 25 years of age or older had not completed high school and did not have a high school diploma or equivalent; this compares with only

29.6 percent for the overall New York City population. At the same time, only 6.1 percent of the Dominican population 25 years of age or older of New York city had completed college in 1990, compared to 24.7 percent for New Yorkers overall.

(7) The lower relative educational attainment of the Dominican population compared to other groups in New York City is associated with a higher proportion of the population in unskilled, blue-collar jobs: the proportion of the labor force employed as operators, laborers and fabricators was the highest in the City, equal to 30.9 percent in 1990; by comparison, only 9.6 percent of the Dominican population was employed in executive and managerial jobs in 1990, compared to 13.9 percent for the overall Hispanic population, 19.6 percent for Blacks and 38.5 percent among Whites.

(8) The declining earnings and employment possibilities of unskilled workers in New York City –and generally in the nation-- have resulted in a deteriorating labor market situation for many Dominican workers: the earnings of Dominican workers without a high school diploma declined sharply in the 1980s, when adjusted for inflation;

(9) There is a second phenomenon which has also impacted the Dominican population more than others. During the 1970s and 1980s, the number of manufacturing jobs in New York City declined sharply, as the economy restructured from manufacturing to services. Similarly, the retail and wholesale trade sector contracted during the last two decades. The Dominican population has by far the highest proportion of persons employed in manufacturing in New York City. In 1990, a total of 25.7 percent of the Dominican labor force was employed in manufacturing, which compares to 10.9 percent among non-Hispanic Whites, and 8.2 percent for non-Hispanic Blacks. In addition, of all groups in the population, Dominicans had the highest share of their labor force employed in the trade sector in 1990. A total of 27.6 percent of the Dominican labor force in 1990 was in the trade sector, compared to 17.9 percent for

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Whites and 14.1 percent for Blacks.

(10) Despite the high proportion of Dominicans employed in the manufacturing sector in 1990, the 1980s resulted in a deep shift of employment out of manufacturing for Dominicans. The proportion of the Dominican labor force employed in manufacturing dropped from 48.6 percent in 1980 to 25.7 percent in 1990. For workers who were employed in manufacturing in 1990, and moved to other sectors by 1990, the transition was likely to be associated with unemployment. In fact, the comparatively high unemployment rate among Dominican workers may be associated with the decline of manufacturing as an industry of employment. This may apply especially among women: over one-third of Dominican women in the labor force were employed in manufacturing in 1990, as compared to less than one-fifth among men.

(11) The proportion of Dominicans in the labor force who were self-employed in 1990 was equal to 7 percent, which is below the rate of self-employment of the overall labor force in New York City, equal to 8.9 percent in 1990, and much below the self-employment for the White population, which was 12 percent. The 1990 Census data is thus inconsistent with the view in some circles that the Dominican population in New York City has been thriving economically through the presence of a disproportionately high rate of business creation and self-employment relative to other ethnic and racial groups.

(12) Dominicans are underrepresented in the New York City public sector labor force. Indeed, although the Dominican population accounts for approximately 5 percent of the population of New York City, only 2 percent of the public sector labor force in 1990 was composed of Dominicans. A total of 9.8 percent of Dominicans in the labor force were employed in the public sector, compared to 17.2 percent in the overall New York City labor force. This underrepresentation in the public sector should be a matter of concern among policymakers in the City.

In spite of an adverse economic environment, the Dominican population in New York City made some economic advances in the 1980s. Per-capita income increased and overall earnings rose also, especially for the population with college degrees. Educational attainment improved, with the proportion of persons 25 years of age or older without a high school diploma dropping from 72 percent to 61.5 percent, although this improvement was not evenly distributed among the population, being closely linked to the greater schooling of Dominican immigrants.

As noted earlier, the main conclusion of this study is that the key socioeconomic indicators failed to improve over the last decade for the Dominican population in New York. Unemployment increased, poverty rates failed to drop, the proportion of children in poor households did not decline, and the relatively unskilled population fared worse in 1990 than in 1980. This research report thus presents a sobering picture of the Dominican population in New York. It suggests that the changing economic environment in the City has impacted the Dominican population in a sharply negative way. In particular, the comparatively low, and declining earnings of unskilled workers in New York City constitute a formidable barrier for the Dominican population. Similarly, the decline of manufacturing as a sector of employment has had a devastating impact on Dominican workers, especially women, resulting in high and rising unemployment rates.

Barring a major shift in the economy over the next few years, improvements in economic status will require a major investment in education. For immigrant populations, this means to a large extent the enhancement of adult literacy and English language proficiency. Given the economic difficulties confronting the average Dominican household, any successful program on this regard is likely to require the combination of work with schooling. Public policies that support the increased educational attainment of working people would be helpful on this regard, whether in the form of workplace apprenticeships, work-study programs, evening/weekend

educational programs, or improved child-care alternatives. Such policies could go a long way in advancing the economic status of Dominicans in New York.

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